



Consumer Alert

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www.scconsumer.gov

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Stimulus check in the mail? Not if you don't file a 2007 tax return

The enactment of President George Bush's economic stimulus package means the check will soon be in the mail for many citizens.

In most cases taxpayers will not have to do anything extra to receive their economic stimulus payments, which should begin arriving in May. Most taxpayers just need to file a 2007 tax return as usual. No other action, extra form or call is necessary.

It is important to remember, though, the only way to receive a stimulus payment in 2008 is to file a 2007 tax return. The vast majority of taxpayers must take no extra steps to receive their stimulus payment beyond the

routine filing of their tax return. No other action, extra form or call is necessary.

Social Security recipients and certain veterans' benefits and low-income workers who don't normally need to file, must do so in order to receive their stimulus check.

The IRS has released a special version of Form 1040A that highlights the simple, specific sections of the return that can

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• • • Deceptive Practices • • • Companies grossly overcharge for deed copies

For the second time in less than a year, the South Carolina Department of Consumer Affairs (SCDCA) is warning consumers about being overcharged for a certified copy of the deed to their home.

Unscrupulous companies are once again

targeting homeowners in South Carolina mailing official looking letters to property owners offering certified copies of deeds for an exorbitant fee, typically more than \$50.

Some

websites even quote the Federal Government advising property owners to have a certified copy of their deed. SCDCA has learned of mailings in Richland and Lexington Counties, but expect that like eight months ago, the practice will be widespread.

These letters are not only misleading, they offer a service consumers can get for themselves – at far less cost.

Property owners wishing to obtain a certified copy of their deed can do so at a cost of less than \$5 from their county services department.

The need for a certified copy is negligible. In most cases property owners receive the property deed upon purchase, and records of such are recorded, preserved, and

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Fake checks leave you with the bill

Fake check scams are a rampant problem in South Carolina.

The South Carolina Department of Consumer Affairs is working closely with United States Postal Service to get a handle on this problem, but these scammers are illusive. Many of these operations are being conducted overseas, where the U.S. government lacks jurisdiction, and local con artists stay on the move.

Unfortunately improvements in counterfeiting equipment have

also made it even more difficult to distinguish between what's real and fake, causing consumers who would have otherwise thrown the forgery away to take a second look.

The bottom line is once your money is gone, it's gone, and it's next to impossible to retrieve.

A consumer's best protection is education.

The following are some frequently asked questions concerning check scams.

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How can you spot a fake check scam?

The “pitch” stays pretty much the same, but it may appear in various disguises:

- ☐ You're overpaid for an item you sold on the Internet and asked to wire-transfer back the extra dollars.
- ☐ You receive a check and notification that you've won a foreign lottery or sweepstakes. You're told to deposit the check, representing a portion of your winnings, and wire-transfer \$2,000 to \$5,000 back “to cover the taxes” so you can collect the rest of your winnings.
- ☐ A work-at-home offer promises that, in return for depositing a money order or check to your bank account, you can keep a percentage of the money after wire-transferring the rest.
- ☐ Someone in a chatroom asks you for a favor: Just cash their check and wire-transfer them the money.
- ☐ Someone sends you a check or money order. They ask you to deposit it to your account and then wire-transfer them the money – minus a nice bonus for you, a “thank you” for helping out.

Should You Wire Money to a Stranger?

U.S. Postal Inspectors hope you say: *Absolutely not!* The offer may sound like a nice deal, but—as usual—it's just too good to be true.



Don't chase after fake checks.
Shred it and forget it.



Help Desk: What you must do before and after filing for bankruptcy

The rules of bankruptcy have changed with the enactment of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005.

With limited exceptions, people who plan to file for bankruptcy protection must get credit counseling from a government-approved organization within 180 days before they file. They also must complete a debtor education course to have their debts discharged.

By law, the U.S. Trustee Program does not operate in Alabama and North Carolina; in these states, court officials called Bankruptcy Administrators approve pre-bankruptcy credit counseling organizations and pre-discharge debtor education course providers.

As a rule, pre-bankruptcy credit counseling and pre-discharge debtor education may not be provided at the same time. Credit counseling must take place before

you file for bankruptcy; debtor education must take place after you file.

In general, you must file a certificate of credit counseling completion when you file for bankruptcy, and evidence of completion of debtor education after you file for bankruptcy – but before your debts are discharged.

A pre-bankruptcy counseling session with an approved credit counseling organization should include an evaluation of your personal financial situation, a discussion of alternatives to bankruptcy, and a personal budget plan.

A typical counseling session should last about 60 to 90 minutes, and can take place in person, on the phone, or online. The counseling organization is required to provide the counseling free of charge for those consumers who cannot afford to pay. If you cannot afford to pay a fee for

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The check you receive will be counterfeit. And you'll be out the money.

Regardless of the Pitch, the Result Is the Same:

The check or money order you receive for deposit will be a counterfeit. It will be returned to your bank unpaid, and the full amount will be deducted from your account. No matter how real the check may appear to be, or even if the bank accepts the check, it's fake and you will ultimately be responsible for it.

Who Is Responsible for Losses to Your Account?

You are responsible for any check or money order you deposit to your account. If it turns out to be counterfeit, or is returned unpaid for any reason, you are fully responsible for the loss.

Why Did the Bank Allow You to Withdraw the Money?

Federal law requires banks to make deposited funds available within 1 to 5 business days. Just because you can withdraw cash from your account shortly after depositing a check or money order

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be filled out by people in these categories to qualify for a stimulus payment.

The IRS will use information on the 2007 tax return filed by the taxpayer to determine eligibility and calculate the amount of the stimulus payments. The IRS will begin sending taxpayers their payments in early May after the current tax season concludes. Payments to more than 130 million taxpayers will continue over several weeks during the spring and summer. A payment schedule for taxpayers will be announced in the near future.

"If you are eligible for a payment, all you have to do is file a 2007 tax return and the IRS will do the rest," said Acting IRS Commissioner Linda Stiff.

Please visit the IRS web site www.irs.gov/newsroom/ for up-to-date tax information and answers to questions about the economic stimulus package.

Below are a few commonly asked questions about the stimulus payments.

What do I need to do to get an economic stimulus payment?

All you need to do is file a federal income tax return for 2007. Even if you are not otherwise required to file a tax return, you must file a 2007 return in order to receive a payment this year. Although some filers, such as high-income filers, will not qualify for a stimulus payment, most will.

I normally don't need to file a tax return. How do I know if I'm one of those people who may be eligible to receive an economic stimulus payment?

This group includes some recipients of Social Security, Railroad Retirement or veterans' benefits as well as taxpayers who do not make enough money to normally have to file a 2007 tax return.

This includes low-income workers, those who receive Social Security benefits or veterans' disability compensation, pension or survivors' benefits from the Department of Veterans Affairs in 2007, if they had at least \$3,000 of qualifying income. Qualifying income includes Social Security benefits, certain Railroad

Retirement benefits, certain veterans' benefits and earned income, such as income from wages, salaries, tips and self-employment. For people filing joint tax returns, only a total of \$3,000 of qualifying income from both spouses is required to be eligible for a payment.

Will receiving an economic stimulus payment in any way affect my eligibility for other federal benefits, such as temporary assistance for needy families, food stamps or Social Security? Will it count as income for purposes of my Social Security benefits?

No. The stimulus payments will not have any effect on eligibility for federal benefits.

I know some people won't get a stimulus payment. How do I know if I'm one of them?

You won't get a stimulus payment in 2008, if any of the following apply to you:

- ☒ You don't file a 2007 tax return.
- ☒ Your net income tax liability is zero and your qualifying income is less than \$3,000. To determine your qualifying income, add together your wages, net self-employment income, nontaxable combat pay, Social Security benefits, certain Railroad Retirement benefits and certain veterans' payments.
- ☒ You can be claimed as a dependent on someone else's return. For example, this would include a child or student who can be claimed on a parent's return.
- ☒ You do not have a valid Social Security Number.
- ☒ You are a nonresident alien.

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Want your rebate cash?
File a tax return.

Got Questions???

Ask Consumer Affairs with online chatting

Think you have been a victim of a scam or just need general information about fraud protection?

Are you an athlete agent or pre-need burial provider in need of additional instructions about licensing? Or are you a business that has questions about the Buyer Beware list?

Then log on to *Ask Consumer Affairs*, an interactive forum that provides you with great consumer information.

Visit the South Carolina Department of Consumer Affairs website at sccconsumer.gov and click on LIVE CHAT.

A communication specialist is there to assist you with any questions you may have Monday through Friday from 8:30 a.m. until 5:00 p.m.



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credit counseling, you should request a fee waiver from the counseling organization before the session begins.

Otherwise, you may be charged a fee for the counseling, which will generally be about \$50, depending on where you live, the types of services you receive, and other factors. The counseling organization is required to discuss any fees with you before starting the counseling session.

Once you have completed the required counseling, you must get a certificate as proof.

A debtor education course by an approved provider should include information on developing a budget, managing money, using credit wisely, and other resources. Like pre-filing counseling, debtor education may be provided in person, on the phone, or online. The

debtor education session might last longer than the pre-filing counseling – about two hours – and the typical fee is between \$50 and \$100. As with pre-filing counseling, if you are unable to pay the session fee, you should seek a fee waiver from the debtor education provider.

Once you have completed the required debtor education course, you should receive a certificate as proof.

It's wise to do some research when choosing a credit counseling organization. If you are in search of credit counseling to fulfill the bankruptcy law requirements, make sure you receive services only from approved providers for your judicial district. Check the list at www.usdoj.gov/ust/eo/bapcpa/ccde/cc_approved.htm or at the bankruptcy clerk's office for the district where you will file



You need more than an empty pocket to file for bankruptcy.

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- ☒ You file Form 1040NR or Form 1040NR-EZ, Form 1040PR or Form 1040SS for 2007.

When will I receive my stimulus payment?

The Treasury Department will start sending out payments in early May.



Remember: Stay vigilant about scams related to stimulus checks. No government official will call you about your rebate.

Will my stimulus payment be included in my regular tax refund? Will the checks or direct deposits come at the same time?

No and no. There will be two payments. You will receive one payment for your regular tax refund and later you will receive a separate stimulus payment.

I have not yet filed my 2007 tax return. Can I still qualify for a stimulus payment in 2008?

Yes, but you must file a 2007 tax return. The IRS encourages you to file a return even if your income is low or much of your income is tax-free.

File your return, if possible, by the regular April 15 deadline. If you file after April 15, with or without a tax-filing extension, your payment will be delayed.

If you qualify for a payment, you can insure that you get it by filing your return by Oct. 15, 2008.

Is my stimulus payment taxable?

No. You will not owe tax on your payment when you file your 2008 federal income tax return.

But you should keep a copy of the IRS letter you receive later this year listing the amount of your payment.

You will need to know this amount next year when you fill out your 2008 return.

Will the payment I receive in 2008 reduce my 2008 refund or increase the amount I owe for 2008?

No, the stimulus payment will not reduce or increase your refund when you file your 2008 return.

I'm eligible for a payment but I still owe federal income tax from a prior year. Will my payment be reduced?

Yes. For this purpose, the stimulus payment is treated like any other tax refund. This means that part or all of your payment can be used to pay past-due federal or state income taxes or non-tax federal debt such as student loans and child support. If this occurs, you will receive a letter explaining how the stimulus payment was applied.



Money Tips: Getting rid of junk mail

If you would like to reduce the amount of junk mail, including pre-approved credit card offers, coming to your mailbox follow these simple steps.

Call 1-888-5-OPTOUT (8688) to notify the credit bureaus that you do not want pre-approved credit card offers sent to your address.

Additionally, write a letter to each of the credit bureaus instructing them that you do not want your personal information shared for promotional purposes – an important step towards eliminating unsolicited mail. The addresses are: Equifax, Inc. PO Box 740123 Atlanta, GA 30374-0123;

Experian Consumer Opt-Out 701 Experian Parkway, Allen, Texas 75013; TransUnion PO Box 97328 Jackson, MS 39288-7328.

The Direct Marketing Association's (DMA) Mail Preference Service lets you opt out of receiving direct mail marketing from many national companies for five years.

When you register with this service, your name will be put on a "delete" file and made available to direct-mail marketers.

However, your registration will not stop mailings from organizations that are not registered with the DMA's Mail Preference Service.

"Late Nights" offers extended hours for more convenience



"Late Nights" allows consumers with especially busy schedules a few extra hours to reach Consumer Affairs.

Office hours are extended from 5:30 p.m. until 7:00 p.m. on the third Tuesday of every month.

The program is designed to give consumers the convenience of after-work hours.

Consumers are welcomed to call during the additional hours at 803.734.4200 or toll free in S.C. at 1.800.922.1594.

For more information about "Late Nights" please contact the Services Division at 803.734.4200.

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maintained at your local county office. However, if you wish to have a copy in case of loss or theft, you may do for a substantially lower fee by contacting your local county services department. Consumer Affairs reminds consumers to keep all important and official documents in a secure location.

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doesn't mean the item you deposited is valid. It can be weeks before a check or money order is discovered to be counterfeit and returned to your bank unpaid.

Why Didn't the Bank Know the Check Was Bad?

Bank employees may not be able to determine whether or not an item is valid. Their job is simply to process your financial document.

If you believe you've been victimized by a fraudster, contact your nearest Postal Inspection Service office by calling 1-877-876-2455. If you'd like to learn more about common consumer scams, these websites can help:

www.sccconsumer.gov

www.fakechecks.org

www.usps.com/postalinspectors

www.lookstoogoodtobetrue.com

www.ftc.gov

About the South Carolina Department of Consumer Affairs

Established by the Consumer Protection Code in 1974, the South Carolina Department of Consumer Affairs represents the interest of South Carolina consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement, and education. For more information on the SCDCA, visit www.sccconsumer.gov.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

The Department strives to be a **CREDIT** to our State by holding the following values as essential in our relationships and decision-making:

Competence Respect **E**quality **D**edication **I**ntegrity **T**imeliness

The *Consumer Alert* is published every month. To receive the *Consumer Alert* or its sister publication *Fraud Alert* by e-mail or postal service contact Charles Ellison at ellison@dca.state.sc.us or by phone 803.734.4203.

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